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COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND DECEMBER 4, 2000

APPLICATION OF

COLUMBIA ENERGY SERVICES
COMPANY

CASE NO. PUE000473

For waiver from compliance
with filing deadline

ORDER GRANTING ADDITIONAL WAIVER
SUBJECT TO CONDITIONS

On November 28, 2000, Columbia Energy Services Corporation ("CES" or "Company") filed a petition requesting an additional waiver from the requirement of subsection B of 20 VAC 5-311-60 of the Commission's Interim Rules Governing Electric and Natural Gas Retail Access Programs ("Interim Rules"), 20 VAC 5-311-10 *et seq.*¹ Subsection B of 20 VAC 5-311-60 requires natural gas retail access pilots previously approved by the Commission and any participants in said pilots to comply with the Interim Rules within a 120-day time period ("filing deadline"). Pursuant to the filing deadline, CES originally was required to file an application for licensure as a competitive service provider or an aggregator on or before September 25, 2000.

By petition filed on September 8, 2000, CES requested, and later was granted, a waiver of the September 25 filing deadline. In its September 8 petition, CES stated that it needed additional time, until December 1, 2000, because it was in the process of selling its mass market retail operations to The New Power Company ("New Power"). CES explained that it will assign

¹ The Interim Rules were adopted in the Commission's Final Order in Case No. PUE980812. Commonwealth, ex rel. State Corp. Comm'n, Ex Parte: In the matter of establishing interim rules for retail access pilot programs, Document Control No. 000530236, Case No. PUE980812, Final Order (May 26, 2000).

its natural gas customers in Virginia to New Power at such time that New Power receives a license to conduct business as a competitive service provider in natural gas retail access programs in Virginia.²

By order entered September 25, 2000, the Commission granted the Company's request for a waiver of the filing deadline. The Commission directed CES to, on or before December 1, 2000, transfer its customers to New Power or other licensed entities or, if that cannot be accomplished, apply for the appropriate licenses under the Interim Rules. The Commission also directed CES to file with the Clerk of the Commission, on or before December 1, 2000, notification that the planned transfers of customers had been accomplished.

In its November 28 petition, CES requested an additional waiver of the filing deadline until February 1, 2001, to transfer its customers to New Power. CES explained that the process of selling its mass market retail operations to New Power envisions a series of transactions and sequential measures, and is taking longer than the Company had anticipated. CES further stated that, in order to effect a seamless transition of its customers to New Power, it needs additional time to notify its customers of the assignment, and to allow customers who may elect to choose a new provider sufficient time to arrange for an alternative supplier. CES stated that the additional time will benefit its customers in that it will permit a seamless transfer of the customers, with no interruption in service or unnecessary customer confusion.

UPON CONSIDERATION of the foregoing, the Commission is of the opinion and finds that CES should be granted an additional waiver of the filing requirement set forth in 20 VAC 5-311-60 B. We are concerned about the Company's rate of progress, however, and will grant the petition subject to certain conditions. Specifically, on or before December 15, 2000, CES shall provide an interim report to the Division of Economics and Finance ("Division") regarding the process of transferring its current customers to New Power, including progress to date and any remaining steps to be taken to implement the transfer. Additionally, on or before January 4,

² By order dated September 28, 2000, the Commission granted New Power's application for licensure as a competitive service provider in Case No. PUE000435.

2001, CES shall provide to the Division an affidavit attesting as to whether all of the Company's current customers have been notified of the transfer. On or before February 1, 2001, CES shall have completed the transfer of its customers to New Power or another licensed entity, and shall file with the Office of the Clerk of the Commission notification that the planned transfers of customers have been accomplished.

Accordingly, IT IS ORDERED THAT:

(1) CES hereby is granted an additional waiver of the deadline provided by the Interim Rules for the filing of an application for a license as a competitive service provider or aggregator. CES shall have until December 31, 2000, to notify its customers of the transfer customers of such customers to other licensed entities or, if that cannot be accomplished, to apply for the appropriate license(s) itself.

(2) On or before February 1, 2001, CES shall file with the Office of the Clerk of the Commission notification that the planned transfers of customers have been accomplished.

(3) CES shall provide two supplemental filings, the first on December 15, 2000, and the second on January 4, 2001, to the Division of Economics and Finance, as directed herein.

(4) This matter shall be continued pending the receipt of the report to be filed on February 1, 2001.